

**SOUTH DAKOTA DEPARTMENT OF AGRICULTURE
VALUE ADDED FINANCE AUTHORITY
MINUTES OF THE PUBLIC MEETING
March 29th, 2018**

The South Dakota Value Added Finance Authority (VAFA) board held its regularly scheduled meeting and public hearing on Thursday, March 29th, 2018, at the SDDA Conference Room, Third Floor, Foss Building, 523 East Capitol Avenue, Pierre, South Dakota.

Board Members Present:

Bob Hull, Chairman
Mark Gross, Vice Chairman
Chuck Jepson
Marcia Hendrickson
Jim Doolittle
Nathan Jensen

Board Members Absent:

Jim Schmidt

Staff Present:

Terri LaBrie, Executive Director VAFA, Kimberly Sturm, SDDA Grant and Loan Specialist

Others Present: Bryan Sanderson, SDDA Business Development Director, Zachary Schmidt, Great Western Bank

Call to Order: Chairman Hull opened the meeting at 8:02 a.m. CT and asked for roll call. A quorum was present.

Agenda: Chairman Hull asked for any additions to the agenda. None were mentioned

A motion to approve the agenda was made by Jim Doolittle and seconded by Chuck Jepson. Motion passed by unanimous roll call vote.

Conflict of Interest: Board member, Chuck Jepson, has indicated and provided staff with a conflict of interest disclosure on agenda item number 10. Chuck will abstain from voting and will discuss the conflict during that time.

Minutes: A motion to approve the minutes dated February 22nd, 2018 was made by Marcia Hendrickson and seconded by Mark Gross. Motion passed by unanimous roll call vote.

Executive Session- Mr. Tim Engel, May, Adam, Gerdes, & Thompson: A motion to move into Executive Session was made by Mark Gross and seconded by Chuck Jepson. Motion passed by unanimous roll call vote.

Chairman Hull reported Tim Engel discussed legal issues in Executive Session regarding the potential of future potential business ventures.

Board Commissioned Feed Mill Study Proposal: Ms. LaBrie provided an update to the board that she has continued discussion with SD Pork and subsequently SD Corn about a possible feed mill study. SD Corn has expressed interest in the study and offered to reach out to Pro Export Network to gather an estimate for the cost of the project. Pro Export Network estimated a total cost of the project to be about \$15,000 to \$20,000. SD Corn has committed to contributing \$5,000 towards the cost of the study. Ms. LaBrie also mentioned she met with SD Pork and attended their board meeting to discuss the potential study and their possible involvement with the study. SD Pork

committed to \$2,500 towards the cost of the project. Ms. LaBrie said she has also reached out to SD Soybean to discuss their potential involvement; however, she has not received a response for a meeting. Ms. LaBrie reminded the board they have the option to commission studies if they feel it would benefit the industry. Ms. LaBrie recommended the board approve the proposal to commission the Feed mill study for a maximum VASF contribution of \$12,500. Chuck Jepson mentioned reminded the board of his conflict of interest with the project. Chuck informed the board he is already involved with project at Napa Junction to build a feed mill in Yankton County.

A motion to approve staff recommendation to approve the proposal and commission the study was made by Jim Doolittle and seconded by Marcia Hendrickson. Motion passed with a quorum vote with Chuck Jepson abstaining.

Dakota Prairie Pork LLC. #6-0031 Public Hearing and Resolution B: Ms. LaBrie informed the board a Notice of Public hearing was published in the Sioux Valley newspaper on March 15th, 2018 for a Livestock Nutrient Management Bond for Dakota Prairie Pork. Dakota Prairie Pork has applied for a Livestock Nutrient Management Bond to finance the solid waste disposal part of a 2,400 head wean to finish hog confinement building in Lincoln County and the application was approved at the February board meeting. No written public comments were received by staff. No oral comments were made at the hearing against the project; however, Zach Schmidt from Great Western Bank was on the line to support the project and to answer any questions from the board. Ms. LaBrie recommended the board approve the bond up to \$400,000 pending final bond council review and pass Resolution B.

A motion to approve staff recommendation pending further council review was made Marcia Hendrickson, and seconded by Chuck Jepson. Motion passed by unanimous roll call vote.

Executive Director Report: Ms. LaBrie informed the board she did not have anything to report this month.

The next VAFA meeting is scheduled for April 26th, 2018 via conference call.

A motion to adjourn was made by Nathan Jensen and seconded by Mark Gross. Motion passed by unanimous roll call vote and the meeting adjourned at 8:35 a.m. CT.

Bob Hull, VAFA Chairman

Date